

## **FISCAL NOTE**

### **SB 8**

December 20, 2006

**SUMMARY OF BILL:** Requires governmental entities to be responsible for the payment of any judgment or award against that entity for any actual medical, pharmacy, or physical rehabilitation costs even if such costs exceed the applicable liability limits.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase Local Govt. Expenditures – Exceeds \$1,000,000\***

##### Assumptions:

- The State is not subject to the Governmental Tort Liability Act.
- There will be no impact on the State's Risk Management Fund.
- Any payments resulting from applicable judgments would be limited to reasonable medical, pharmacy, or physical rehabilitation costs.
- Local governments will likely increase their coverage limits to protect against uninsured losses. As a result, there will be an increase in the premiums and possibly the deductibles for liability coverage for local governments.
- By removing the Governmental Tort Liability Act limits in such cases, local governments will see an increase in the amount and duration of litigation.
- Any increase in caseloads for the state trial courts and appellate courts can be absorbed within existing judicial resources.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director